

EXHIBIT 15

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE SOUTHERN DISTRICT OF NEW YORK

3 GOVERNMENT OF THE :
4 UNITED STATES VIRGIN :
ISLANDS, : CASE NO.
5 : 1:22-CV-10904
Plaintiff, : -JSR

6 v. :

7 JPMORGAN CHASE BANK, :
N.A., :
8 Defendant/Third Party :
Plaintiff. :

9 JPMORGAN CHASE BANK, :
10 N.A., :

11 Third Party Plaintiff, :

12 v. :

13 JAMES EDWARD STALEY, :

14 Third Party Defendant. :

15 CONFIDENTIAL - PURSUANT TO PROTECTIVE ORDER

16 July 13, 2023
- - -

17
18 Videotaped deposition of
19 JOHN R. DUFFY, taken pursuant to notice,
20 was held at Wilmer Hale, Seven World
21 Trade Center, New York, New York,
22 beginning at 9:17 a.m., on the above
date, before Michelle L. Gray, a
Registered Professional Reporter,
Certified Shorthand Reporter, Certified
Realtime Reporter, and Notary Public.

23 GOLKOW LITIGATION SERVICES
877.370.3377 ph | 917.591.5672 fax
24 deps@golkow.com

1 A. Personal relationship, as --
2 as you are posing the question, to me,
3 feels like something beyond business.

4 And rapport is an
5 understanding and a dialogue that flows
6 freely where you understand that person,
7 they understand you, and it helps in
8 business to be well understood and to
9 understand the person you're trying to
10 serve.

11 Q. Did you have any personal
12 relationships with any of your clients
13 at -- while you were at JPMorgan?

14 A. I had rapport with many
15 clients.

16 Q. Did you have any personal
17 relationships with them?

18 A. I would -- I'd probably say
19 I don't have relationships that I would
20 have called personal. I think all was
21 business.

22 Q. Did you ever have a social
23 dinner with a client?

24 A. Not that I can think of.

1 anybody else?

2 A. Not that I recall.

3 Jes was the senior person on
4 that relationship, and for me, that was
5 the right person to raise that with.

6 Q. What do you mean "senior
7 person on that relationship"?

8 A. Jes was involved with, to my
9 knowledge, Mr. Epstein's relationship
10 with JPMorgan right from the very
11 beginning, whenever that was.

12 And to my knowledge, it
13 continued after he was outside of the
14 Private Bank. And Jes kept in touch with
15 many clients in the Private Bank, post
16 his days in the Private Bank.

17 Q. Do you know whether Jes had
18 a formal role in approving Mr. Epstein's
19 retention by the bank as a client when he
20 was in charge of the Private Bank?

21 MR. JOHNSON: Objection.

22 THE WITNESS: Sorry, can you
23 say that again.

24 BY MR. SCHIFFMANN:

1 Q. Sure.

2 As far as you know, did
3 Mr. Staley have any formal role in
4 deciding whether Mr. Epstein should
5 remain a client of the Private Bank while
6 he was in charge of the investment bank?

7 MR. JOHNSON: Objection.

8 THE WITNESS: As a senior
9 member of the firm and a member of
10 the operating committee, who
11 continued to work on that account
12 in some way or fashion, some of it
13 visible to me, some of it not
14 visible to me, Jes was a part of
15 that relationship. And I would
16 have expected, if there was
17 something that I should have
18 known, he would have told me.

19 We relied upon Jes, in this
20 instance and in -- and in others,
21 as it related to his judgment
22 about an account. And in this
23 case we're talking about
24 Mr. Epstein's account.

1 BY MR. SCHIFFMANN:

2 Q. And you say "we." Who do
3 you mean by "we"?

4 A. Broadly speaking, the
5 Private Bank. Coverage team, CEO of the
6 asset and wealth management business,
7 myself.

8 Q. There were other people also
9 responsible for the relationship with
10 Mr. Epstein, right?

11 A. Oh, for sure. There are
12 people who are doing the work, day in and
13 day out.

14 Q. So at most, Mr. Staley was
15 part of a broader team that was in charge
16 of deciding whether Mr. Epstein should
17 remain a client?

18 A. Most senior member,
19 operating committee member. Little bit
20 different than everybody else on the
21 team.

22 Q. What do you mean by that?

23 A. Most senior person and, you
24 know, a person who you look up to, to

1 hold up the code of conduct of the firm,
2 and fiduciary responsibility to clients
3 and shareholders.

4 Q. Do you think other members
5 of the team also had an obligation to
6 uphold the code of conduct?

7 A. Well, everyone does.

8 Q. Do you think other members
9 of that team also had a fiduciary
10 responsibility to clients and
11 shareholders?

12 A. Yes, I do.

13 Q. And as you said, those other
14 members of the team were doing the work,
15 day in and day out, right?

16 A. Yes.

17 Q. And those other members of
18 the team were closer to Mr. Epstein's
19 actual account activity, right?

20 A. Yes.

21 Q. And you'd agree that those
22 other members of the team also had an
23 important role in the decision of whether
24 Mr. Epstein should remain a client?

1 time frame, situation.

2 It's just not that cut and
3 dry. It was a heavy influence.

4 Q. What was the basis for that
5 influence?

6 A. Seniority, history with the
7 client.

8 Q. Going to your next
9 conversation with Mr. Staley about
10 Mr. Epstein, I think you testified that
11 in -- you had another conversation with
12 him in 2011 after you became CEO of the
13 investment bank?

14 A. Of the Private Bank.

15 Q. Yes, sorry, Private Bank.

16 A. Yes, that's correct.

17 Q. And do you remember how long
18 after your elevation to CEO of the
19 Private Bank you had that conversation?

20 A. Yeah. It was pretty quickly
21 after. Weeks.

22 Q. And where was that
23 conversation?

24 A. In his office at the

1 investment bank, arranged by his
2 assistant.

3 Q. Did he arrange that meeting
4 or did you?

5 A. I did. I asked for it. And
6 it was in follow-up to discussions with
7 colleagues.

8 Q. What --

9 A. Concerns for Mr. Epstein's
10 reputation and, again, looking to raise
11 the question with Jes. Don't understand
12 why -- why we are retaining him, on a
13 reputational basis, as a client.

14 Q. And what did you say to
15 Mr. Staley at that meeting?

16 A. I said, Jes, I really don't
17 understand why Mr. Epstein is still a
18 client at the bank. From a reputational
19 perspective, it just doesn't fit. And
20 like, you know, we had previously talked
21 a couple years back, probably, whenever
22 that last was. I said, this feels to me
23 like it's time.

24 Q. Do you remember anything

1 else that you said to him?

2 A. I do.

3 Q. What else did you say to
4 him?

5 A. So Jes rebuffed me, said,
6 don't see the need for that. I would
7 trust Jeffrey with members of my family,
8 his daughters.

9 And the last thing I said to
10 Jes about it was, well, Jes, if I were
11 asked why is Jeffrey Epstein a client of
12 the bank at this stage, I would have to
13 answer, because of Jes Staley.

14 Q. Do you remember anything
15 else that Mr. Staley said to you during
16 that meeting?

17 A. No.

18 Q. What was Mr. Staley's
19 reaction to your statement that, if
20 you -- if you were asked why Mr. Epstein
21 is a client of the bank, your answer
22 would be Jes Staley?

23 A. The meeting was over. Jes
24 was on to other things. That was it. It

1 was kind of the last word in that
2 meeting, that I recall.

3 Q. Do you remember whether you
4 gave Mr. Staley additional detail about
5 your specific concerns for Mr. Epstein's
6 reputation?

7 A. I shared with you what I
8 recall.

9 Q. Do you recall giving him any
10 details about Mr. Epstein's account
11 activity?

12 A. I do not recall that. The
13 basis of the conversation was reputation.

14 Q. Did you write any of --
15 well, withdrawn.

16 Did you ever write down what
17 happened in that meeting?

18 A. I don't recall.

19 Q. Did you tell anybody about
20 that conversation?

21 A. Colleagues in the Private
22 Bank.

23 Q. Who -- which colleagues?

24 A. We -- I had an obligation to

1 go back to the due diligence committee
2 and report back on the conversation with
3 Jes.

4 Q. And you did that orally?

5 A. I did that orally.

6 Q. Did you send any follow-up
7 e-mails, based on this --

8 A. Not that I recall.

9 Q. Just again, I'd ask you to
10 try to let me finish my sentence.

11 A. Sure.

12 Q. Did -- in your view, did
13 Mr. Staley hear out your concerns?

14 A. Well, he heard them.

15 Q. Did he try to get you to
16 stop sharing your concerns?

17 A. No. He tried to convince me
18 that he was right, briefly.

19 Q. Do you remember anything
20 else about his statement that he would
21 trust Mr. Epstein with members of his
22 family?

23 A. No.

24 Q. What was your reaction to

1 hearing him say that he would trust
2 Mr. Epstein with members of his family?

3 A. I was surprised and felt
4 like this conversation was going the same
5 way as the previous, so I was frustrated.

6 Q. Did you believe -- well,
7 withdrawn.

8 Did he succeed in changing
9 your mind about whether Mr. --
10 Mr. Epstein should remain a client of the
11 Private Bank?

12 A. No.

13 Q. So after this meeting it was
14 still your opinion that Mr. Staley --
15 that Mr. Epstein should no longer be a
16 member of the Private Bank -- or a client
17 of the Private Bank?

18 A. Correct. And it was also
19 clear that Jes wanted him to remain a
20 client.

21 Q. Did Jes order you to
22 continue approving Mr. Epstein as a
23 client?

24 A. I shared with you what I

1 recall.

2 Q. So you don't remember him
3 ordering you to retain him as a client?

4 A. I shared with you what I
5 recall.

6 Q. And you don't recall that?

7 A. Those specific words, I do
8 not recall.

9 Q. Do you recall anything to
10 that effect?

11 A. I've -- I've shared with you
12 what I recall.

13 Q. So you don't recall him
14 saying anything to the effect of, I'm
15 ordering you to --

16 A. I don't recall.

17 Q. I'm sorry, I just --

18 A. Okay.

19 Q. -- I just want to make my
20 record clear.

21 A. Yeah. Sorry. Go ahead.

22 Q. I understand this can be
23 frustrating. Sometimes I have to ask the
24 question multiple times to get it clear.

1 A. Yes.

2 Q. So you don't recall him
3 saying anything to the effect of, I'm
4 ordering you to keep Mr. Epstein as a
5 client?

6 A. I don't recall those words.

7 Q. Or anything to that effect?

8 A. I don't recall hearing words
9 like that.

10 Q. Okay.

11 MR. JOHNSON: Is this a good
12 time for a break?

13 THE WITNESS: I do --

14 MR. JOHNSON: Sorry, John.

15 THE WITNESS: Yeah, yeah.

16 MR. SCHIFFMANN: Yeah, we
17 can -- we can go off the record --

18 MR. BOUCHOUX: John, do you
19 have something to add?

20 THE WITNESS: Yeah, I
21 said -- well --

22 MR. BOUCHOUX: He was in the
23 middle of his answer.

24 THE WITNESS: What I do

1 recall, it was very clear from
2 that conversation with Jes, Jes
3 wanted Mr. Epstein to remain a
4 client.

5 And it wasn't in Jes's
6 nature to order anybody anything,
7 to do anything. That's just not
8 the way he conducted business.

9 He just said this shouldn't
10 change.

11 BY MR. SCHIFFMANN:

12 Q. Did you understand him to be
13 implicitly telling you what you should
14 do?

15 A. Basically. Retain Jeffrey
16 as a client. Yes. That's how -- that's
17 what I left that meeting with.
18 Mr. Epstein remains a client.

19 Q. Did you leave that -- well,
20 withdrawn.

21 MR. SCHIFFMANN: We can take
22 a break now.

23 THE VIDEOGRAPHER: The time
24 right now is 10:13 a.m. We're off

1 Q. Did Mr. Staley ever say
2 anything else to you, similar to that he
3 would trust Mr. Epstein with his family?

4 A. I just recall that one
5 instance.

6 Q. Did you consider escalating
7 your concerns about Mr. Epstein to other
8 senior leaders at JPMorgan?

9 A. That's what I was doing when
10 I went to see Jes.

11 Q. But after Mr. Staley
12 disagreed with you, did you consider
13 raising your concerns about Mr. Epstein
14 with other senior leaders at the bank?

15 A. I -- I felt like Jes was the
16 final word on that.

17 Q. Did you raise your
18 concerns -- well, withdrawn.

19 At the time that you were
20 CEO of the U.S. Private Bank, who did you
21 report to?

22 A. Phil Di Iorio.

23 Q. Who did he report to?

24 A. Mary Erdoes.

1 Q. And you, as CEO of the U.S.
2 Private Bank, ultimately were the final
3 approver on the -- in the KYC process,
4 right?

5 A. On the last step of the
6 process.

7 Q. And as part of that process,
8 you have to grant your approval to the
9 retention of the relationship, right?

10 A. I would have to give an
11 answer, yes.

12 Q. And -- okay. If you did not
13 approve a high-risk client for retention,
14 what would happen to that client account?

15 A. It would probably get
16 debated again.

17 Q. And, ultimately, if you
18 still did not approve the retention of
19 the -- of that client, would the client
20 then be exited?

21 A. No, not necessarily.

22 Q. So a client could be
23 retained even if you refused to approve
24 the KYC on the client?

1 A. I don't know what the rules
2 say on that.

3 Q. Are you aware of any
4 situation in which the CEO of the U.S.
5 Private Bank refused to approve a client
6 retention KYC and, yet, the account
7 remained open?

8 A. I wouldn't have enough
9 information to answer that.

10 Q. Well, when you were CEO of
11 the U.S. Private Bank, did you ever
12 refuse to approve a high-risk client's
13 retention?

14 A. I don't recall. But I do
15 recall wanting to exit clients, other
16 clients, and they were not exited.

17 Q. And do you recall whether,
18 in those situations, you ultimately
19 approved the retention of the client
20 through the KYC process?

21 A. I can't recall whether, at
22 that point in time, I had KYC
23 responsibility.

24 Q. Well, do -- when you were --

1 to continue to have Mr. Epstein as a
2 client.

3 MR. BOUCHOUX: John --

4 BY MR. SCHIFFMANN:

5 Q. You mean Mr. Staley --

6 A. Mr. -- sorry, Mr. Staley.

7 Thank you.

8 Q. Yeah.

9 But ultimately you were the
10 one who had to give approval?

11 A. The way the process works, I
12 had to -- in order for Mr. Epstein to
13 remain a client, I had to be part of that
14 process, and part of that process, for
15 me, was talking to Mr. Staley. And the
16 basis of my approving that DDR was my
17 conversation with Mr. Staley.

18 Q. But you could have decided
19 not to approve a DDR?

20 A. Any DDR I could have -- I
21 could decide not to approve, yes.

22 Q. So you may not always like a
23 client, but that doesn't necessarily mean
24 that you're going to refuse to sign their

1 DDR?

2 A. It means I'm going to follow
3 through on, to the best of my abilities,
4 on understanding that client, raising
5 concerns about that client, as I did with
6 Mr. Staley as it relates to Mr. Epstein.

7 And in the case of
8 Mr. Epstein, I felt like Mr. Staley was
9 the final court of appeal on that.

10 Q. So --

11 A. So my -- my signing off on
12 that DDR reflects my conversations with
13 Mr. Staley as an operating committee
14 member and someone who has a fiduciary
15 responsibility to the bank, its clients,
16 its shareholders.

17 Q. You testified earlier that
18 your conversation with Mr. Staley was
19 about reputational risk, right?

20 A. Correct.

21 Q. As part of the KYC process,
22 though, you have access to other
23 information about Mr. Epstein's accounts,
24 right?

1 Q. But you were the one signing
2 the DDR, were you not?

3 A. Yes.

4 Q. You could have declined to
5 sign it?

6 A. I don't know what would have
7 happened after that, to be honest. I
8 don't know what the process does after
9 the CEO of the business declines it.

10 But I know I signed that,
11 based upon Jes wanting the client to be
12 retained.

13 Q. But you could have declined
14 to sign it. You say you do not know what
15 would have happened, but you could have
16 declined to sign it, right?

17 A. There are one of two answers
18 here, yes or no, on the DDR form.

19 Q. And you could have answered
20 no?

21 A. I suppose.

22 Q. As CEO of the U.S. Private
23 Bank, did you have authority to fire a
24 client from the Private Bank?

1 A. I don't know that any one
2 person has the authority to fire a client
3 from the bank. That's not been my
4 experience.

5 Q. Well, if you refused to
6 approve a client's retention in the
7 Private Bank, that client would be
8 exited, right?

9 A. No. The process of
10 retaining a client or exiting a client is
11 never that simple.

12 Q. So, in your view, a -- you,
13 as the CEO, could have refused to approve
14 the retention of Mr. Epstein and
15 Mr. Epstein still could have remained a
16 client of the Private Bank?

17 A. It's possible. Like I said,
18 as it relates to exiting clients, no one
19 person holds that authority.

20 These relationships with
21 clients span different businesses, and as
22 a result of that, there's usually a
23 widening of the circle and a broader
24 team-based decision about exiting a

1 client.

2 Q. But I'm saying, if you stuck
3 to your guns and refused to approve
4 Mr. Epstein for retention as a client of
5 the Private Bank, your testimony is that
6 he might have just remained?

7 MR. JOHNSON: Objection.

8 THE WITNESS: I don't know.

9 That would be speculation on my
10 part. I don't know.

11 BY MR. SCHIFFMANN:

12 Q. Well, why didn't you --
13 well, withdrawn.

14 If -- if you could have
15 declined to sign the DDR and initiated a
16 broader conversation about whether to
17 keep Mr. Epstein as a client, why didn't
18 you do that?

19 A. We felt like we had that
20 conversation. I felt like I had that
21 conversation with Jes.

22 Q. Mr. Staley didn't convince
23 you that Mr. Epstein was a good
24 reputational bet for JPMorgan, did he?

1 A. Rephrase that, please.

2 Q. At the end of your
3 conversation with Mr. Staley, you still
4 thought Mr. Epstein should be exited.

5 A. I was of the opinion his
6 reputational risk was not worth having
7 him as an account, that's correct.

8 Q. And, nevertheless, you
9 signed the DDR allowing him to remain.

10 A. I did.

11 Q. And if you had declined to
12 sign that, a widening of the circle would
13 have occurred, at which more people would
14 have discussed what to do with this
15 business, right?

16 A. The -- I felt like that had
17 already happened.

18 Q. Did you involve the CEO of
19 the entire Private Bank in that
20 conversation?

21 A. I don't recall.

22 Q. Did you involve Phil
23 Di Iorio in that conversation?

24 A. They are one and the same.

1 angry call from Jeffrey?"

2 Do you see that?

3 A. I do.

4 Q. What -- do you know what
5 Mr. Schlakman is referring to when he
6 refers to a "usual angry call from
7 Jeffrey"?

8 MR. JOHNSON: Objection.

9 THE WITNESS: I do not know
10 what he means by that.

11 But the first part of that
12 paragraph, "the only sensitivity
13 is his relationship with Jes,"
14 that is simply consistent with
15 what we all believe, which was Jes
16 was the senior relationship person
17 with Mr. Epstein.

18 BY MR. SCHIFFMANN:

19 Q. But Mr. Schlakman wasn't
20 suggesting that because of that
21 relationship you would make an exception
22 to the callback policy, right?

23 A. He wasn't, I don't believe
24 that.

1 A F T E R N O O N S E S S I O N

2 - - -

3 THE VIDEOGRAPHER: The time
4 right now is 12:37 p.m. We're
5 back on the record.

6 - - -

7 CONTINUED EXAMINATION

8 - - -

9 BY MR. SCHIFFMANN:

10 Q. Mr. Duffy, at any point
11 during your time as CEO of the U.S.
12 Private Bank, did you become concerned by
13 Mr. Epstein's use of cash from his
14 JPMorgan accounts?

15 A. I wasn't concerned about his
16 use of cash. Large clients use cash in
17 different ways. They are different than,
18 you know, the average person on Main
19 Street.

20 But I did speak with
21 Mr. Epstein about his use of cash and
22 what it was for and made suggestions to
23 him as it related to his response, which
24 was for aviation fuel, to use his

1 aviation account.

2 Q. So your answer is no, you
3 were not concerned about his use of cash?

4 A. It wasn't -- it wasn't
5 outsized in relation to what clients of
6 Mr. Epstein's net worth or asset base
7 has. And it wasn't unusual, as it
8 related to what was expected in that
9 account, and he was pretty consistent in
10 the use of that.

11 So we are always concerned
12 about people who use cash and might be
13 carrying cash around, because it's a
14 liability for them.

15 Q. So other than the size of --
16 well, strike that.

17 So you've just testified
18 that you weren't concerned about the size
19 of the withdrawals. Did anything else
20 about the cash withdrawals concern you
21 while you were CEO of the U.S. Private
22 Bank?

23 MR. JOHNSON: Objection.

24 THE WITNESS: We -- clients

1 who take out cash regularly, we
2 look for it to be consistent with
3 what was expected for that
4 account. And the DDR is the
5 mechanism for setting the
6 expectation of activity in an
7 account. And Mr. Epstein's cash
8 withdrawals were consistent with
9 the expectations as set by his
10 DDR.

11 BY MR. SCHIFFMANN:

12 Q. So to answer my question,
13 you did not -- you were not concerned
14 about any aspect of his cash usage while
15 you were CEO of the U.S. Private Bank?

16 A. I was curious about it. I
17 asked him about it.

18 Q. But you were not concerned
19 about it?

20 A. No. We spoke about it. He
21 gave me an answer, which was it was for
22 jet fuel. I took him at his word and
23 felt like I covered that with him.

24 Q. And when he told you that,

1 you believed him?

2 A. I did.

3 Q. Did you ever think he was
4 being dishonest with you?

5 A. No, I did not.

6 Q. So did you always take
7 Mr. Epstein at his word?

8 A. We didn't talk that often.
9 But on that -- on that matter in
10 particular, yes.

11 Q. Do you remember ever not
12 taking him at his word during any of your
13 conversations?

14 A. They were limited, so no.

15 Q. Did you ever discuss your
16 concerns -- well, withdrawn.

17 Did you ever discuss
18 Mr. Epstein's use of cash with Mary
19 Erdoes?

20 A. Yes.

21 Q. And what do you remember
22 about -- well, when was that
23 conversation?

24 A. I don't recall.

1 didn't think that it was appropriate?

2 A. If I thought there was
3 something inappropriate that Mr. Epstein
4 was doing, then I wouldn't have approved
5 it.

6 Q. If it was your
7 responsibility to continue the
8 relationship, why did you initially
9 decline to approve the account?

10 A. In this review?

11 Q. Yes.

12 A. More information, from my
13 perspective, since we had -- I had a
14 discussion with Mr. Epstein about his use
15 of cash to pay for fuel out of a Hyperion
16 account. I was looking for consistency.

17 Q. And if you found out more
18 information that made you think that
19 approving Mr. Epstein's account was
20 inappropriate, you would have declined to
21 approve it, right?

22 A. If I thought there was
23 anything he was doing that was wrong, a
24 crime, illicit, I would not have approved

1 e-mail, do you remember between --
2 whether between 6:03 p.m. on March 27th
3 and 6:25 p.m. on March 27th you had a
4 conversation with Mr. Epstein about this
5 particular cash withdrawal?

6 MR. JOHNSON: Objection.

7 THE WITNESS: I did not have
8 a conversation with him that I
9 recall on that day.

10 BY MR. SCHIFFMANN:

11 Q. So it stands to reason that
12 when you wrote, "I previously spoke with
13 Jeffrey Epstein about this activity,"
14 what you're referring to is his overall
15 pattern of cash withdrawals, not this
16 particular cash withdrawal?

17 A. I don't -- I had a
18 conversation with him about his cash
19 withdrawals and aviation fuel. That's
20 what I'm referring to there.

21 Q. Do you remember ever
22 speaking with him specifically about the
23 August 1st -- sorry, about the one
24 payment that Ms. Perry references?

1 A. It was.

2 Q. And, obviously, it was
3 before this -- these events transpired,
4 right?

5 A. It would -- it would have.
6 Yes.

7 Q. Did you -- do you remember
8 if it was a long time before or had you
9 just had that conversation?

10 A. I don't recall.

11 Q. What prompted you to speak
12 to Mr. Epstein about his cash usage?

13 A. Cash is a funny asset. It
14 brings liability to clients when they
15 carry it around. Large clients often
16 take large cash at different times of the
17 year. Sometimes it's for household
18 staff. Sometimes it's for holiday gifts.
19 Sometimes it's for building personnel.

20 So it's not uncommon to talk
21 to a client about their cash.

22 And with Mr. Epstein, as
23 I've said to you previously, in gaining a
24 broader picture of his account, I asked

1 him about his cash and its usage, and he
2 mentioned aviation fuel, particularly in
3 parts of the world that can be a little
4 bit more difficult to travel through.
5 And where a U.S. bank card would
6 typically not be accepted for payment,
7 hence the OFAC.

8 And as I previously
9 mentioned, I took him at his word for
10 that.

11 Q. So after this deep dive by
12 Ms. Perry, why did you think you needed
13 to speak to him again about the cash
14 withdrawals?

15 A. I don't recall. And I don't
16 think we did. That's my recollection.

17 Q. The last long sentence in
18 this e-mail is, "Perhaps the best next
19 step is for us to speak with Harry, who
20 we know, and ask Harry about the cash
21 withdrawals."

22 Do you see that?

23 A. I do.

24 Q. And this is Harry Beller?

1 Q. Mr. Staley --

2 A. Which is what happened after
3 Mr. Staley left JPMorgan.

4 Q. Did it happen while
5 Mr. Staley was there?

6 A. No, it happened after
7 Mr. Staley left JPMorgan.

8 Q. You still could have chosen
9 not to approve any of these KYCs, right?

10 A. True.

11 Q. And in your prior testimony,
12 that would have kicked off a process of
13 additional conversations about what to do
14 with Mr. Epstein's account, right?

15 A. Yes.

16 Q. And you chose to approve
17 these accounts?

18 A. Based upon having had a
19 conversation with Mr. Staley about his
20 wishes to retain Mr. Epstein.

21 Q. So your testimony is
22 Mr. Staley did not order you to maintain
23 the relationship, correct?

24 A. Mr. Staley did not order me.

1 Q. And you had discretion to
2 refuse to approve these account retention
3 requests, right?

4 A. I'm sorry, the account
5 retention requests?

6 Q. Yeah. You had discretion to
7 decline to approve these KYCs.

8 A. Oh. In light of
9 Mr. Staley's request to keep Mr. Epstein
10 as a client, I didn't see that I had --
11 there was a -- there was another avenue
12 there.

13 And that would appear, as we
14 just looked at, a conversation about
15 Mr. Staley and Mr. Cutler, that that was
16 another affirmation by Mr. Staley that
17 Mr. Epstein remains a client at JPMorgan.

18 Q. When you say Mr. Staley's
19 request to keep Mr. Epstein as a client,
20 what do you mean?

21 A. When I said to Jes at the
22 end of our conversation, if I'm asked why
23 Mr. Epstein is a client, my response is,
24 because of Jes Staley.

1 Q. Do you see in the next
2 e-mail you write, "Okay"?

3 A. Yes.

4 Q. So Mr. Walden was asked to
5 approve a \$50 million line of credit for
6 Mr. Epstein, right?

7 A. He was.

8 Q. And he raised reputational
9 concerns, right?

10 A. He did.

11 Q. And Mr. Nelson asked you
12 whether you were okay moving forward,
13 based on the reputational concerns,
14 right?

15 A. Correct.

16 Q. And then you said okay?

17 A. I did.

18 Q. And by this time, Mr. Staley
19 was out of JPMorgan?

20 A. Yes.

21 Q. Who was Kevin McCleerey?

22 A. Kevin was part of the risk
23 and control team.

24 Q. Did you have any

1 received the cash for fuel explanation --
2 or you never looked into whether or not
3 that explanation made sense, given that
4 he had spent a considerable number of
5 years in jail and then on house arrest?

6 MR. JOHNSON: Objection.

7 THE WITNESS: Could you
8 repeat your question, please.

9 MS. LIU: Can I have that
10 question read back.

11 (Whereupon, the court
12 reporter read back the requested
13 portions of the transcript.)

14 THE WITNESS: That
15 explanation, to me, was taken at
16 face value and post the
17 conversation with Mr. Epstein.
18 Many of his cash activities, as
19 recommended to him for his
20 aviation fuel needs, were switched
21 to his aviation account, Hyperion.

22 BY MS. LIU:

23 Q. Taken at face value, meaning
24 you didn't do any digging into whether or

1 not that explanation made sense? You
2 just took Mr. Epstein at his word,
3 correct?

4 A. I took Mr. Epstein at his
5 word. And then following that, his cash
6 activity for fuel came out of the
7 Hyperion account, and that made sense.

8 Q. It came out of the Hyperion
9 account at your suggestion, correct?

10 A. Well, it came -- if he is
11 using money, his money for aviation
12 purposes, it's common sense and good
13 advice to give a client advice to make
14 sure that money comes out of your
15 aviation account so that when you're
16 accounting for your aviation expenses,
17 they are well documented.

18 Q. But you knew that the money
19 was simply being transferred into the
20 aviation account a few days before it was
21 then taken out of the aviation account,
22 correct, Mr. Duffy? That's what the
23 documents in this case show?

24 MR. JOHNSON: Objection.

1 trafficking business?

2 MR. JOHNSON: Objection.

3 THE WITNESS: I had no
4 reason to believe that
5 Mr. Epstein -- and at no point in
6 time did I believe Mr. Epstein was
7 committing criminal acts through
8 JPMorgan, such as sex trafficking.

9 BY MS. LIU:

10 Q. So, therefore, you didn't
11 look or have any of the people working
12 for you at the Private Bank look at his
13 transactions to see if any might have
14 matched up with the allegations of sex
15 trafficking; is that fair?

16 A. No, that's not fair. Our
17 risk and control teams monitor client
18 cash activity. [REDACTED]

[REDACTED]
20 Q. All right. So let's pull up
21 Tab 12, please.

22 THE COURT REPORTER: Is that
23 something you're putting in the
24 chat?

1 from my own position on that.

2 Mr. Staley had left the
3 bank. He was no longer a sponsor or
4 vouching for Mr. Epstein. And we chose
5 to terminate the relationship at that
6 point in time.

7 MR. SCHIFFMANN: Objection,
8 and move to strike.

9 BY MS. LIU:

10 Q. What were the reputational
11 risks that you had about Mr. Epstein,
12 including when you exited him in 2013?

13 A. Sorry?

14 Q. What were the reputational
15 risks that had been known about
16 Mr. Epstein for a long time by the time
17 you exited him in 2013, Mr. Duffy?

18 MR. JOHNSON: Objection.

19 THE WITNESS: The two
20 specific elements of Mr. Epstein's
21 life, of being a felon and a sex
22 offender, were the points of focus
23 for me.

24 BY MS. LIU:

1 Q. And the bank had known he
2 was a felon and sex offender since 2008,
3 correct?

4 A. If that was when he was
5 convicted, yes. I don't recall.

6 Q. And, yet, the bank waited
7 until sometime in 2013 to exit
8 Mr. Epstein's account from the bank; is
9 that correct?

10 A. That's factual.

11 Q. Why did it take you almost a
12 year from the time Mr. Staley left and
13 clearly could no longer be vouching, as
14 you said, for Mr. Epstein to exit his
15 accounts from the bank?

16 MR. JOHNSON: Objection.

17 THE WITNESS: There was a
18 process. It takes time. And
19 that's what it became.

20 BY MS. LIU:

21 Q. But Mr. Staley had already
22 been demoted from his position as CEO of
23 the investment bank in early 2012 related
24 to the London-Wales scandal, correct,